

Appendix: Financial soundness indicators

Table 1: Domestic Banks

Unit: %

Items	Year (end of year)	2002	2003	2004	2005	2006	2007
Earning and profitability							
Return on assets (ROA)		-0.50	0.22	0.64	0.30	-0.06	0.28
Return on equity (ROE)		-7.20	3.52	10.25	4.74	-0.94	4.35
Net interest income to gross income		79.34	66.86	62.60	66.11	68.34	65.78
Non interest expenses to gross income		50.51	46.35	46.59	47.84	51.21	53.54
Gains and losses on financial instruments to gross income		14.06	15.87	10.13	11.49	12.63	9.17
Personnel expenses* to non-interest expenses		-	-	-	-	55.37	55.88
Spread between lending and deposit rates (basis points)		3.15	2.63	2.30	2.22	1.91	1.72
Assets quality							
Non-performing loans to total loans		8.85	6.08	3.82	2.24	2.15	1.83
Provision coverage ratio		17.25	22.68	30.14	50.06	62.26	64.07
Capital adequacy							
Regulatory capital to risk-weighted assets		10.64	10.29	10.87	11.23	10.87	10.88
Tier 1 capital to risk-weighted assets		9.96	10.00	10.25	10.37	9.88	8.59
Capital to total assets		6.53	6.17	6.28	6.45	6.19	6.42
Non-performing loans net of provisions to capital		76.74	51.76	30.61	15.28	15.16	12.23
Liquidity							
Customer deposits to total loans		114.15	117.69	118.10	118.70	119.41	117.98
Liquid assets* to total assets		-	-	-	-	-	18.04
Liquid assets* to short-term liabilities		-	-	-	-	-	27.79

Table 1 : Domestic Banks (cont.)

Unit: %

Items	Year (end of year)					
	2002	2003	2004	2005	2006	2007
Credit risk concentration						
Household loans to total loans	40.66	42.65	44.89	46.51	46.74	47.10
Corporate loans to total loans	43.39	42.07	41.30	41.60	43.02	44.39
Large exposures to capital	-	-	-	137.32	144.28	136.74
Gross asset positions in financial derivatives* to capital	-	-	-	-	5.28	10.34
Gross liability positions in financial derivatives* to capital	-	-	-	-	4.79	5.44
Sensitivity to market risk						
Net open position in foreign exchange* to capital	-	-	-	-	3.11	5.02
Foreign-currency-denominated loans* to total loans	-	-	-	-	13.44	15.57
Net open position in equities* to capital	-	-	-	-	28.63	30.85
Foreign-currency-denominated liabilities* to total liabilities	-	-	-	-	19.84	22.18

Notes: 1. The items with "*" are only available from 2006. Liquidity asset related items are disclosed from 2007.

2. The data of earnings and profitability in 2006 and 2007 exclude Chinese Bank and Bowa Bank.

Table 2: Non-financial Corporate Sector

Units: %, Times

Items	Year (end of year)					
	2002	2003	2004	2005	2006	2007
Total liabilities to equity						
Corporate sector	97.20	95.27	102.15	86.10	85.21	-
TWSE-listed companies	69.26	68.03	66.33	66.11	64.20	63.20
OTC-listed companies	98.67	90.48	76.67	84.01	74.10	76.45
Return on equity						
Corporate sector	7.46	10.18	11.36	10.88	13.04	-
TWSE-listed companies	8.02	12.64	16.68	14.17	15.29	18.03
OTC-listed companies	0.90	8.97	15.70	9.28	17.07	9.21
Net income before interest and tax / interest expenses (times)						
Corporate sector	3.18	6.03	7.89	8.97	10.10	-
TWSE-listed companies	4.39	9.45	17.78	15.29	16.79	19.08
OTC-listed companies	0.37	4.55	12.73	8.40	14.07	7.90

Note: The data of all corporates are from JCIC, and those of TWSE and OTC listed corporates are from TEJ.

Table 3: Household Sector

Unit: %

Items	Year (end of year)					
	2002	2003	2004	2005	2006	2007
Household borrowing to GDP	75.56	78.08	81.74	85.55	85.85	83.60
Borrowing service and principal payments to gross disposable income	43.90	42.92	46.25	48.45	46.08	42.67

Note: Figure for 2007 disposable income is CBC estimate.

Table 4: Real Estate Market

Unit: %

Items	Year (end of year)					
	2002	2003	2004	2005	2006	2007
Land price index	102.05	99.62	101.52	103.24	105.09	107.85
Residential real estate loans* to total loans	-	-	-	-	29.14	30.14
Commercial real estate loans* to total loans	-	-	-	-	10.74	11.84

Notes: 1.Land price index is released each half year (March and September).

2.The items with "*" are only available from 2006.

Table 5: Market Liquidity

Unit: %

Items	Year (end of year)					
	2002	2003	2004	2005	2006	2007
The turnover ratio of trading value in stock market	217.41	190.82	177.46	131.36	142.20	153.28
The monthly average turnover ratio in bond market	-	-	135.40	215.69	140.58	74.65

Notes: 1.The turnover ratio in terms of trading value in stock market is the accumulative figure of the year.

2.The monthly average turnover ratio in bond market is the average figure of the year. This data is available from 2004.